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# The Aluminum Situation

**DEPARTMENT OF ECONOMICS AND STATISTICS** **JUNE 1989**

## INDUSTRY SHIPMENTS INCREASE 3.9%

JUNE 1989

Total industry net shipments for four months of 1989, estimated at 5,518 million pounds, were up 3.9 percent from the four month 1988 total of 5,313 million pounds.

Domestic shipments of 4,836 million pounds decreased 1.1 percent from the four month 1988 total of 4,890 million pounds.

Exports of ingot and mill products of 683 million pounds are up 61.3 percent from four months of 1988. Imports decreased 7.7 percent for the same period.

| | 1989 4 Mos. | 1988 4 Mos. | % Change |
|---|---|---|---|
| Mill Products | 4,579 | 4,417 | 3.7 |
| Ingot | 940 | 897 | 4.8 |
| Total | 5,518 | 5,313 | 3.9 |
| Less Exports | 683 | 423 | 61.3 |
| Domestic Total | 4,836 | 4,890 | -1.1 |

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

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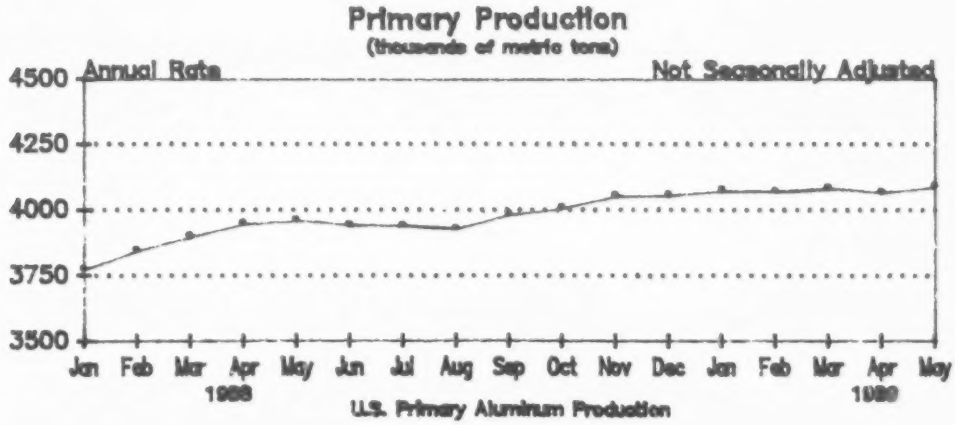
## PRIMARY PRODUCTION DAILY RATE AVERAGES 11,208 METRIC TONS

U.S. primary aluminum production averaged 11,208 metric tons daily during May 1989. This compares with an average of 10,825 metric tons a day in May 1988 and 11,138 metric tons a day in April 1989. The annual rate of production in May 1989 was 4,090,802 metric tons compared with 3,961,785 metric tons in May 1988 and 4,065,504 metric tons in April 1989. Actual production in May 1989 was 347,438 metric tons.

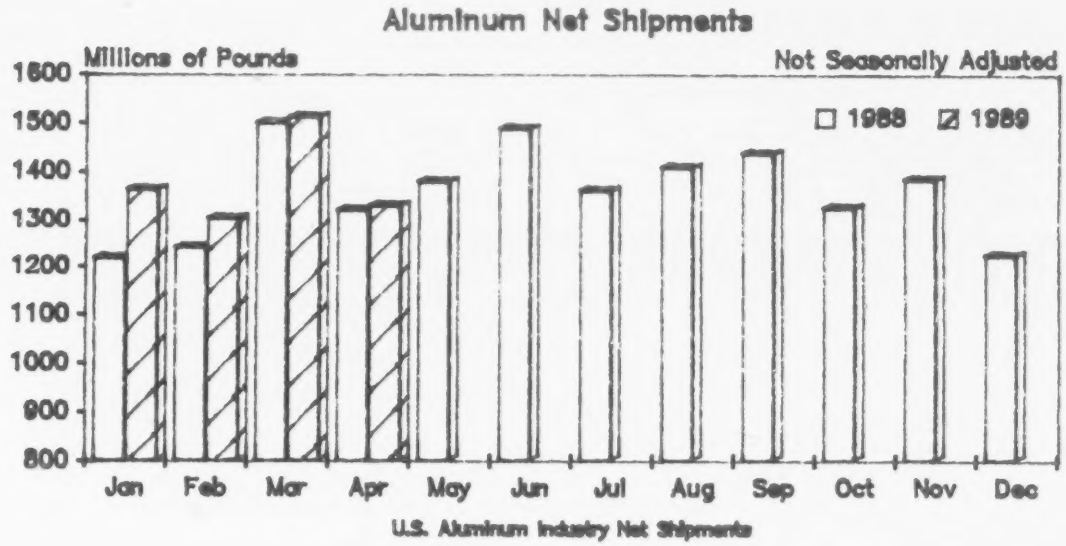



This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Association
900 19th Street, N.W. Washington, D.C. 20006
Phone (202) 862-5100

## INDUSTRY NET SHIPMENTS INCREASE 3.9 PERCENT

Total industry net shipments for four months of 1989, estimated at 5,518 million pounds, were up 3.9 percent from the four month 1988 total of 5,313 million pounds. Domestic shipments of 4,836 million pounds decreased 1.1 percent from the four month 1988 total of 4,890 million pounds.

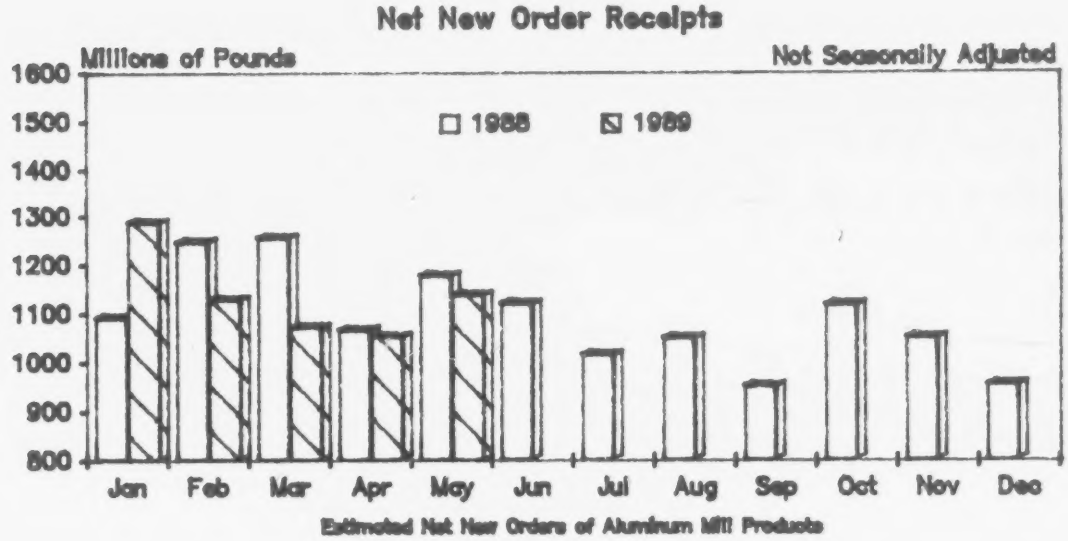



| NET SHIPMENTS (Millions of Pounds) | 1989 April | 1988 April | 1989 4 Mos. | 1988 4 Mos. | % Change 1989 vs 1988 |
|---|---|---|---|---|---|
| Sheet | 632.5 | 590.4 | 2,558.4 | 2,314.7 | 10.5 |
| Plate | 24.3 | 24.9 | 105.5 | 97.1 | 8.7 |
| Foil | 69.1 | 81.0 | 299.5 | 327.6 | -8.6 |
| Rod,Bar & Wire | 21.9 | 27.8 | 80.2 | 113.3 | -29.2 |
| Elec. Conductor | 55.4 | 58.2 | 230.5 | 225.8 | 2.1 |
| Extruded Shapes,Tube | 234.8 | 236.8 | 908.7 | 912.4 | -0.4 |
| Powder & Paste | 6.8 | 7.1 | 29.6 | 27.1 | 9.2 |
| Forgings & Impacts | 13.7 | 14.0 | 54.7 | 59.9 | -8.8 |
| Net Imports of Mill Products (Total) (a) | 74.9 | 77.9 | 311.9 | 338.9 | -7.9 |
| Total Mill Products | 1,133.6 | 1,118.2 | 4,578.8 | 4,416.7 | 3.7 |
| Ingot | 199.2e | 213.1 | 939.6e | 896.6 | 4.8 |
| TOTAL INDUSTRY SHIPMENTS | 1,332.7 | 1,331.2 | 5,518.5 | 5,313.3 | 3.9 |
| Exports | 161.4 | 112.6 | 682.8 | 423.5 | 61.3 |
| TOTAL DOMESTIC SHIPMENTS | 1,171.3 | 1,218.6 | 4,835.7 | 4,889.8 | -1.1 |

Source: Bureau of the Census, U.S. Department of Commerce
Note: Cummulative data may include revisions for previous periods
(a) Not included in product data above.
(e) Estimated by the Aluminum Association

## NET NEW ORDER RECEIPTS DOWN 2.7 PERCENT

Estimated net new order receipts of aluminum mill products for five months of 1989, totaling 5,684 million pounds, dropped 2.7 percent from a five month 1988 total of 5,843 million pounds. May order receipts of 1,140 million pounds increased 8.1 percent from a revised April 1989 figure of 1,054 million pounds.




| ORDER RECEIPTS (Millions of Pounds) | 1989 May | 1988 May | 1989 5 Mos. | 1988 5 Mos. | % Change 1989 vs 1988 |
|---|---|---|---|---|---|
| Sheet & Plate, Other | 362.1 | 392.7 | 1,951.7 | 2,020.1 | -3.4 |
| Can Stock (a) | 392.8 | 349.5 | 1,788.8 | 1,722.9 | 3.8 |
| Foil | 91.1 | 92.9 | 416.7 | 454.0 | -8.2 |
| Bar, Rod & Wire | 37.4 | 39.0 | 183.6 | 192.3 | -4.5 |
| Electrical Conductor | 65.0 | 67.3 | 345.4 | 341.6 | 1.1 |
| Extruded Shapes & Tube | 166.4 | 213.7 | 877.8 | 1,004.6 | -12.6 |
| Powder & Paste | 10.3 | 6.9 | 51.9 | 38.1 | 36.2 |
| Forgings & Impacts | 14.4 | 16.5 | 68.2 | 69.0 | -1.2 |
| Total Mill Products | 1,139.5 | 1,178.5 | 5,684.1 | 5,842.6 | -2.7 |

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cummulative data includes revisions for previous periods.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.

## PRODUCER INVENTORIES JUMP 95 MILLION POUNDS

Producer inventories increased in April 1989 to an reported total of 4,255 million pounds. This represents an 95 million pound jump from the revised March 1989 level of 4,160 million pounds.

Month-End Aluminum Producer Inventories
By Type of Producer
(Figures in Millions of Pounds)

| | Total | Ingot | Scrap | All Other |
|---|---|---|---|---|
| February | 4,163 | 1,441 | 532 | 2,190 |
| March | 4,160r | 1,500r | 518r | 2,143r |
| April | 4,255 | 1,485 | 594 | 2,176 |

Source: Bureau of the Census, U.S. Department of Commerce.
(r) Figures revised

## CUSTOMER INVENTORIES REPORTED AT 33.8 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of April 30, 1989 was 33.8, down 5.6 percent from inventories reported at the end of March 1989.

Month-End Aluminum Consumer Inventories
(Average Number of Days)

| | |
|---|---|
| February | 35.5 |
| March | 35.8 |
| April | 33.8 |

Source: Aluminum Association - Customer Inventory Position Survey

| U.S. IMPORTS & EXPORTS (Millions of Pounds) | | 1989* April | 1988 April | 1989* 4 Mos. | 1988 4 Mos. | % Change 1989 vs 1988 |
|---|---|---|---|---|---|---|
| Imports | Mill Products | 82.5 | 79.2 | 325.9 | 350.1 | -6.9 |
| | Ingot | 205.3 | 195.5 | 782.9 | 850.6 | -8.0 |
| | Total | 287.8 | 274.7 | 1,108.8 | 1,200.8 | -7.7 |
| | Scrap (+ dross) | 37.4 | 33.1 | 155.7 | 145.0 | 7.4 |
| | Grand Total | 325.2 | 307.8 | 1,264.4 | 1,345.8 | -6.0 |
| Exports | Mill Products | 87.9 | 66.7 | 350.5 | 263.1 | 33.2 |
| | Ingot | 73.6 | 45.9 | 332.3 | 160.4 | 107.2 |
| | Total | 161.4 | 112.6 | 682.8 | 423.4 | 61.3 |
| | Scrap | 106.2 | 92.9 | 441.7 | 268.0 | 64.8 |
| | Grand Total | 267.6 | 205.5 | 1,124.5 | 691.5 | 62.6 |
| Net Imports | | 57.6 | 102.4 | 139.9 | 654.3 | -78.6 |

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989